



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

SUBJECT: SEE BELOW

DATE: May 22, 2023

Approved

Date

6/1/23

SUBJECT: ANNUAL AUTHORIZATION FOR WORKFORCE INNOVATION AND OPPORTUNITY ACT PROGRAM AND PROJECTS FOR 2023-2024

RECOMMENDATION

Adopt an annual resolution authorizing the City Manager or her designee to negotiate and execute the following agreements relating to the Workforce Innovation and Opportunity Act Program and projects:

- (a) All contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, vendors, and partners providing services to the Workforce Innovation and Opportunity Act Program and workforce programs funded by other sources, including, but not limited to, novations or assignments, case management contracts, and consultant contracts, for the period July 1, 2023 to June 30, 2024 in accordance with procurement procedures and requirements mandated by the State and Federal governments for Workforce Innovation and Opportunity Act grant recipients and with established City procurement procedures and requirements that have been reviewed and approved, as required, by the work2future Workforce Development Board, so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (b) All memorandums of understanding with Required and Additional One-Stop Partners for the period July 1, 2022 to June 30, 2026 in accordance with Section 121 of the Workforce Innovation and Opportunity Act, including, but not limited to, memorandums of understanding with other workforce development boards, regional memorandums of understanding, partnership agreements, cost-sharing agreements, regional consultant agreements, and memorandums of understanding with cities and the unincorporated area of Santa Clara County whose residents receive services from the work2future One Stops, a partner of the America's Job Center of CaliforniaSM, so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses, if any, of the agreement.

- (c) All amendments to City Council-approved agreements that have been reviewed and approved, as required, by the work2future Board so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (d) All grant applications, grant agreements, subgrant agreements, and any documents necessary to accept the grant for discretionary funding applied for and approved by the work2future Board, for multi-year periods so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (e) All Eligible Training Provider List, Youth Career Technical Training, Youth Workshops, Adult Workshops, and Adult Cohort agreements, and multiple-scope agreements that combine two or more of the above agreements that have been reviewed and approved, as required, by the work2future Board, for the period from July 1, 2023 to June 30, 2024, subject to annual appropriation of funds by the Workforce Development Board.
- (f) All agreements specified in sections (a) through (e) above with a term end date beyond the fiscal year in which the contract begins (an end date beyond June 30, 2024), so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (g) All agreements specified in sections (a) through (e) above that do not involve a disbursement of funds (no-fund agreement) with an end term beyond the fiscal year in which the agreement begins (beyond June 30, 2024).

SUMMARY AND OUTCOME

Approval of this action will ensure that the workforce development services provided to the community through the funding and contractual partnerships under the management of the work2future program will be delivered in a timely and efficient manner to meet the immediate needs of individuals seeking employment assistance. City Council has approved a similar omnibus resolution annually since 2000.

work2future, the federally authorized Workforce Development Board administered by the City of San José, provides workforce development services to the City of San José as well as seven other Santa Clara County cities and the county's unincorporated areas. In addition, work2future has been certified by the State of California as a High Performing Board for the period of July 1, 2020 to June 30, 2023. work2future has a Board of Directors to oversee and ensure that it is in compliance with federal regulations and that approves its annual budget.

work2future has met all federally mandated performance outcomes, including the number of adult and dislocated worker clients that enter employment, are retained in employment, and have average earnings of a specific amount mandated by the State of California (see **Attachment - work2future WIOA Performance Summary for WIOA clients: Program Year 2020-2023**).

work2future also provides workforce services to San José youth through the San José Works program. The San José Works program places underserved youth into employment that is either subsidized using City of San José General Funds or unsubsidized with the employer paying the youth. The San José Works program also provides the youth with wrap-around services such as career counseling, supportive services, mentoring, entrepreneurship training, wage theft, anti-harassment, and youth rights training. work2future has begun conducting outreach for the upcoming San José Works 9.0 program which will begin in the summer of 2023. The program plans to provide 375 paid internships related to demand occupations and growth sector industries.

Staff recommends the City Manager's authority to negotiate and execute various types of contracts, agreements, amendments, and memorandums of understanding be reauthorized for Fiscal Year (FY) 2023-2024. All such agreements are compliant with federal, state, and local laws, rules, and policies, and have been approved by the work2future Board of Directors. There must be an unexpended and unencumbered balance of the appropriation sufficient to pay the expenses of each agreement.

BACKGROUND

work2future is the federally authorized Workforce Development Board administered by the City of San José and certified by the State of California as a High Performing Board. work2future's service delivery area provides services in the cities of San José, Gilroy, Campbell, Morgan Hill, Saratoga, Los Gatos, Los Altos Hills, San Martin, and Monte Sereno, and all the unincorporated areas of Santa Clara County.

For the Program Year 2021-2022, work2future met all its federally mandated performance outcomes, while maintaining full compliance with a complex array of federal, state, and City programs and fiscal requirements. For the current Program Year 2022-2023, work2future is once again on track to meet all its performance outcomes (see Attachment).

With the federal and City of San José funding support, 4,158 participants received services in Program Year 2021-2022. This included 1,855 enrolled individuals and another 2,303 who were not enrolled and participated in job fairs, job readiness, and entrepreneurship workshops, rapid response services, and (online) training in areas such as information technology, project management, accounting, business services, and other topics related to high wage, high growth occupations prevalent in our local area. work2future anticipates serving approximately 4,500 clients for the Program Year 2022-2023.

In April 2023, the Association of California School Administrators recognized work2future for its outstanding work in the community with a Partners in Education Award.

work2future has a federally mandated, private sector-led Board of Directors comprised of 20 members representing the diversity of Silicon Valley's employers, including well-known companies such as Google, Manex, Tech Mahindra, Kaiser Permanente, and Cobham Advanced Electronic Solutions. The Board of Directors also includes mandated representation from labor, including the Santa Clara County Electrical Training Alliance of Silicon Valley and the Pipe Trades Training Center, as well as from the California Employment Development Department, Department of Rehabilitation, and Eastside Adult Education.

The Board of Directors is empowered through the Workforce Innovation and Opportunity Act (WIOA) to oversee and ensure adherence to federal regulations and an annually adopted budget. The Board of Directors provides guidance and direction to staff and approves the federally mandated Local and Regional Strategic Plans. work2future has recently updated its Local and Regional Plans as part of the two-year modification required by the WIOA. The Local Plan¹ and Regional Plan² were submitted to the State for approval on March 30, 2023. Approval from the State is anticipated during this upcoming summer.

The Mayor of San José is the federally designated local Chief Elected Official, and the City of San José is the fiscal agent for the program. The Chief Elected Official's responsibilities include the appointment of members to the work2future Board of Directors and approving, along with the Board of Directors, the previously referenced Local and Regional Strategic Plans.

Trends in the Regional Labor Market

Three years after the onset of the COVID-19 pandemic, the economy, on the surface at least, is now in much better shape than it was during the first two years. Employment in the United States and the San José region had returned to near pre-pandemic levels by February 2023.

Highlights from the previous Re-employment and Workforce Development Status Report included the following:

- The unemployment rate in Santa Clara County continued to decline through 2021 to reach near pre-pandemic levels.
- Wages on average rose significantly, but these gains were substantially offset by inflation that climbed to a 40-year high.

¹ Local Strategic Plan link - https://www.work2future.org/wp-content/uploads/2023/03/IVD_work2future_LOCAL_PLAN_Mod_2022-23-Board-Approval.pdf

² Regional Strategic Plan link - <https://www.work2future.org/wp-content/uploads/2023/01/DraftBPRPUPRegionalPlanModification-3.pdf>

- Although the overall regional economy benefitted from the rebounding labor market, large segments of our community lagged significantly. In December 2021, the unemployment rate among Hispanics in the county was 28% higher than the unemployment rate among non-Hispanics. The unemployment rate among Asians was 48% higher than the unemployment rate among Whites and the unemployment rate for African Americans was nearly twice as high as the unemployment rate for Whites in the county.

However, as we approached the end of the first quarter of calendar 2023, economic uncertainty remained, and significant segments of the community continued to experience ongoing economic stress:

- The unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area stayed well within “full employment” (5% as defined by the Federal Reserve) throughout 2022, dipping to a low of 1.9% in May and not rising above 2.5% throughout the calendar year.
- The San José-Sunnyvale-Santa Clara Metropolitan Statistical Area added an estimated 37,700 jobs from March 2022 to March 2023, an increase of 3.3%.
- However, from July 2022 through March 2023, more than 9,000 layoffs had been announced in Santa Clara County. Many of these layoff notices came from high-technology companies.
- And, though still too early to represent a significant trend, data for the early part of 2023 suggest that the regional labor market is cooling. The March 2023 San José-Sunnyvale-Santa Clara Metropolitan Statistical Area unemployment rate was 3.3%, up from 3.2% in February 2022.

As was the case before and during the pandemic, unemployment did not fall evenly throughout the community. Hispanics/Latinos, who are 25% of the population in Santa Clara County, made up over 32% of the unemployed in the county in December 2022. Black/African American residents are about 3% of the county population but were 12% unemployed in the same month.

Further adding to the economic distress, there has been the notably high inflation. After reaching an annualized peak of 9.1% in June 2022, it stood at 4.9% in April 2023, still well above the Federal Reserve’s target of two percent. Exacerbating the situation, average weekly wages for private employers in Santa Clara County dropped in the third quarter by eight percent compared to the third quarter of 2021. Just as notable, many low-income families across the United States were draining their savings to pay for necessities like food and rent due to inflation. At the same time, household debt has been increasing. According to a Federal Reserve study, the average household in Santa Clara County had 73 cents in debt for every dollar earned in 2021. By the second quarter of 2022, it had increased to 90 cents of debt for every dollar earned.

work2future, within this overall economic context, and long before the COVID-19 pandemic, has served primarily very low-income youth and adult clients, often who have multiple barriers to employment. Historically, over 80% of clients served have been Black, Indigenous, or People

of Color, often referred to work2future by agencies with deep ties to these same communities. Many work2future clients reside in low-resource census tracts.

work2future focused its training and occupational counseling resources, along with its employer outreach efforts, on priority sectors such as information technology, advanced manufacturing, healthcare, business and accounting, construction, and related living-wage and high-growth-demand occupations. In doing so, work2future met all its federally mandated performance outcomes and has been recognized as a high-performing workforce development board by the State of California. For FY 2022-2023, work2future's WIOA's budget allocation was \$7,023,470. work2future is still waiting to receive FY 2023-2024 WIOA's budget allocation from the State of California. For San José Works, the current operating budget is \$1,647,000 plus additional grants from Bank of America, Cities for Financial Empowerment, Shipt, Alaska Airlines, and Wells Fargo – totaling \$187,000.

Since its inception in 2000, work2future has assisted thousands of job seekers, the vast majority of whom have been basic skills deficient, justice involved, unstably housed, lacking digital skills, English language learners, veterans, low income, and/or those who are on public assistance. The focus of the services offered has been to connect these job seekers to jobs and careers in demand occupations that have a pathway to a living wage.

Client Overview and Focus on Priority Sectors

work2future's participant profile features the following:

- Over 98% of the agency's youth clients are low-income, while 100% of younger in-school clients have two or more barriers and 83% of older out-of-school youth have two or more barriers as well. Approximately 85% are Black, Indigenous, or People of Color.
- Approximately 75% of adult clients are Black, Indigenous, or People of Color, and 85% have one or more barriers (i.e., basic skills deficient, single parents, unstably housed, etc.) to employment.

For Program Year 2021-2022, 866 work2future WIOA clients were placed into employment. Due to COVID-19 and the resulting full and subsequent partial closure of work2future's offices for over 24 months (March 2020-April 2022), there was a notable decline in enrollments during the previous Program Year 2020-2021 period. Nonetheless, over 85% of work2future's adult and dislocated workers and 80% of youth clients who secured employment and work experience during Program Year 2021-2022 did so within work2future's priority sectors and related demand occupations. These percentages are based on clients for whom work2future has contacted and obtained specific information related to employers and types of occupation.

Significant Changes to Service Delivery Strategy

To note, during the work2future one stop closure, the agency relocated its one stop operations back to the East Side at Las Plumas, shifted to a hybrid service delivery model described further below, changed its youth and adult contractors, and developed a series of key community partnerships (i.e., San José Conservation Corp, Metro Ed, Mayor's Gang Prevention Task Force, etc.) that have resulted in work2future achieving, for this current year, its youth enrollment goals for the older youth, and recently launched younger youth programs much in advance of the scheduled target dates.

Multi-Lingual Outreach Focused on Low-Resource Census Tracts

Since the relocation and reopening of the San José Career Center at Las Plumas in April 2022, work2future worked with its partners to provide in-person and remote workforce and training services and undertook related outreach activities heavily focused on individuals in low-resource census tracts. During this current year, work2future hired a full-time Spanish-speaking staff person dedicated to outreach in these same areas. This individual has been working with partners as well as receiving and cross-referring clients and will also look to serve as a key connection to individuals that historically have not availed themselves of work2future services.

In addition, work2future partnered with the City of San José's Promotores³ program to create awareness in neighborhoods and communities about City resources which includes work2future and San José Works. The Promotores engaged and conducted outreach to identify the recovery needs of the hardest-to-reach residents. This was done with an array of activities and tasks such as tabling events, canvassing, presentations, and group conversations. work2future partnered with the Promotores on two different occasions: 1) supported a large-scale job fair at the convention center with over 80 employers; and 2) outreached to residents in low-resource census tracts regarding work2future's youth programs. work2future intends to continue the partnership with the Promotores to increase awareness of work2future and our partner services. work2future recently met with the Promotores to assist with outreach regarding digital literacy workshops.

Focus on High Wage High Growth Jobs

work2future's strategy includes developing employer-driven job training and education focusing on a broad range of training programs that align with work2future's priority sectors and demand occupations.

Key skill-building and performance highlights include the following:

³ <https://www.sanjoseca.gov/home/showpublisheddocument/72797/637565818413230000>

- The rapid shift to virtual services caused by the pandemic laid bare the barriers to digital inclusion faced by many job seekers. work2future developed a hybrid model where all services are provided both in person and virtually. A notable component of the shift in service delivery has been the distribution of the Metrix online learning tool that offers over 5,000 classes—in English and Spanish—tied to a variety of high-demand occupations. Commencing this past summer, work2future staff has distributed these licenses to hundreds of enrolled and unenrolled youth and adult clients.
- work2future met and exceeded its federally mandated performance measures for Program Year 2021-2022 and is on course to meet all performance measures for Program Year 2022-2023⁴ (see Attachment).
- work2future’s training activities included a broad range of training programs that aligns with work2future’s priority sectors. These programs include Occupational Skills Training, short-term training through college courses, online training, customized training, cohort training, on-the-job training, incumbent worker training, and pre-apprenticeship training leading to a nationally recognized credential, state licensure, competency, or skill recognized by an employer. Examples of work2future’s training activities include the following:
 - Facebook Digital Marketing – In partnership with Facebook, approximately 30 young adults participated in an “earn and learn” initiative. Once the participants completed the training provided by Facebook, they were placed with a micro or small business, most of which were located in low-resource census tracts, where they earned a living wage of approximately \$26 an hour and applied their newly acquired digital marketing skills.
 - Health Care – work2future participants obtained a 3-in-1 medical assisting, phlebotomy, and electrocardiogram program certificate which provided participants with a solid foundation in clinical and administrative duties with a five-week clinical externship at a medical facility to receive hands-on experience.
 - Youth Work Experience – Approximately 130 youth clients will receive work experience opportunities in our priority sectors and in-demand occupations before the end of this Program Year. For example, 30 participants received a six-week paid work experience opportunity with private companies in the medical and dental fields and an additional 11 youth clients did so around robotic process automation.
 - work2future continues its long-standing training programs with Pacific Gas and Electric Company and has placed over 85% of the program’s 2022 graduates into high-paying jobs with Pacific Gas and Electric Company and other related employers.
 - work2future will also continue its successful building trades pre-apprenticeship program, Trades Orientation Program, which has historically served a significant percentage of women of color. The program enrolled over 90 individuals and has

⁴ Per the Employment Development Directive WSD20-02, workforce boards must perform successfully at 90% or higher. Nonetheless the work2future Board has created a requirement for 100% or higher.

- enjoyed an 80%+ graduation rate and a high placement rate in construction apprenticeship or other employment.
- work2future recently began offering new skill-building opportunities in project management and Six Sigma. This also includes digital literacy such as Google Suite, Office 365, digital marketing and sales, and customer service.
- San José Works: During the summer of 2022, work2future's San José Works 8.0, in partnership with the City's Parks, Recreation, and Neighborhood Services Department, provided 376 high school youth with subsidized paid internships, with 100% of these in a high-growth, high-wage sector or related demand occupations. Examples of such occupations included Information Technology Support, Social Media Marketing, Website Design, Accounting and Bookkeeping, and Software Development (i.e., coding, troubleshooting, software apps, system performance evaluator and maintenance). Over 80% of the youth were Black, Indigenous, or People of Color and the retention rate was 93%. All 376 youth successfully completed training in such areas as soft skills, emotional intelligence, financial literacy, career exploration, entrepreneurship, and wage theft and prevention. Key host site employers included Intuit, CreaTV, NK Technologies, Delta Machine, City of San José, Children's Discovery Museum, and the Santa Clara County Association of Realtors.

Moreover, work2future successfully piloted a mentoring program for San José Works youth. Given the lessons learned over the last two pilot years and the success of this effort to date, 105 youth were paired with a mentor for a one-on-one experience, some of whom worked with companies such as Intel, Hewlett Packard Enterprise, Bank of America, Western Digital, and City of San José. Approximately 75% of the mentees have continued their mentoring relationship after the program's original end date. work2future will continue to connect over 100 youth to mentors for the next program year commencing in June 2023.

In addition, and to date, over 370 older San José Works youth (ages 18-29) have been connected to unsubsidized employment opportunities. By June 2023, the total number of unsubsidized youths placed into unsubsidized employment is expected to exceed 500.

- Worker Power Academy: work2future is a partner with Grounded by ReWork the Bay, San José Conservation Corps, and Veggielution in a year-long worker empowerment pilot led by Working Partnerships USA. Starting in spring 2023, partners began recruiting a cohort of at least six workers and/or job seekers to participate in one of three eight-week "Know Your Rights" and related issues training programs.

Working Partnerships USA is organizing the pilot and designing the curriculum, which will include education to protect against wage theft. The project is one of several around the Bay Area being funded by the San Francisco Foundation to test the impact and challenge of educating workers about their rights and advancing cooperation among agencies in

promoting quality employment. The Labor Center at University of California Berkeley will evaluate all the pilot projects to gauge their effectiveness and provide project partners guidance for sustainable integration of worker rights education into their services.

- Resilience Corps: Phase 2 of the Resilience Corps program, funded with one-time American Rescue Plan Act resources received from the State of California, launched in August 2022. To date, more than 240 Phase 2 young adults ages 18-30 have been enrolled and are receiving training, paid work experience opportunities ranging from 25 to 30 weeks, case management, supportive services, and job development support. Approximately, 94% of participants are Black, Indigenous, or People of Color and 98% have two or more barriers (low-income, justice involved, first-generation residents/students, etc.).

The Parks, Recreation, and Neighborhood Services Department has been the lead for the Environmental Pathway and has contracted with San José Conservation Corp for the above-referenced services. Work experience services undertaken by program participants have included creating fire breaks and reducing fire fuels for defensible space in and around Alum Rock Park, planting trees, managing vegetation along the Guadalupe River trail, rehabilitating bio-retention swales in parks, and planting native gardens that are drought-tolerant. The San José Public Library has contracted with the Library Foundation for these work experience services. Program participants have provided quality learning experiences like small group tutoring, homework support, mentorship, and recreation for school-age children from TK – 8th grade. These programs were aligned to common core anchor standards, prioritizing whole child learning opportunities, including social-emotional learning and academics.

Other important enhancements to work2future's operations include the following:

- Resumption of In-Person Job Fairs: Since the opening of the new San José Career Center at Las Plumas in April 2022, work2future has hosted or co-hosted 10 in-person job fairs, including collaborations with San José City College and Bloom Energy, as well as the San José Career Expo at the San José McEnery Convention Center, which featured more than 70 employers and drew about 430 job seekers. Altogether, nearly 1,900 job seekers have attended in-person job fairs since they resumed.
- Business Services/Rapid Response: Of the more than 9,100 workers based in Santa Clara County who received layoff notices between July 1, 2022 and mid-May 2023, 2,900 (32%) were employed in work2future's service area. In keeping with its Rapid Response mandate, work2future reached out to 22 companies to offer information and services to laid-off workers. work2future partnered with Employment Development Department staff to conduct eight information workshops for laid-off workers. In addition, work2future assisted over 300 employers with a variety of services, including on-the-job training, newly introduced

incumbent worker training, targeted recruitments, work experience opportunities, and job listing assistance.

- Young Adult Partnerships and Community Engagement: Partnerships have been developed with Metro ED to serve in-school youth. Other partnerships include Opportunity Youth Academy, San José Job Corps, Unity Care, and San José Conservation Corps. These and other partnerships have proven critical in work2future meeting its newly launched younger in-school, as well as its older out-of-school youth, enrollment goals in advance of their scheduled deadlines. work2future is also engaging in the City of San José's Children and Youth Services Master Plan which includes work2future support for young adults to continue post-secondary education with the knowledge, skills, and abilities to be successful by providing work experience, mentoring, academic support, and career development assistance.

In addition, acting on the recommendations of a year-long Youth Forum convened by members of the work2future Board of Directors and members of the youth-serving community to focus on the needs of underserved youth, primarily ages 16–24, the Board of Directors established a Youth Committee as a new standing committee of the Board. The Youth Committee, which is comprised of Board members, as well as youth-serving community members and youth with lived experience, will work with staff and the community to advocate for improved work2force development services for underserved youth in work2future's service area.

Looking Ahead

Over the next six to 12 months, work2future will undertake the following set of new and/or expanded initiatives:

- Non-Traditional Apprenticeship Pathways
In the upcoming year, work2future will pilot a United States Department of Labor-approved non-traditional apprenticeship program related to the information technology sector and or advanced manufacturing. As envisioned, the pilot may focus on such information technology fields as Application Development, Security or Cyber Security Analyst, Helpdesk Technician, etc. The apprenticeship would be approximately six months in duration and include a combination of training and work experience leading to a nationally recognized credential. This initiative will launch in the fall of 2023. work2future is also supporting the development of non-traditional registered apprenticeships with employers and intermediaries in South Bay's advanced manufacturing sector as well. These apprenticeships focus first on Manufacturing Technicians.
- Healthcare Sector Workforce Initiative
work2future is preparing to convene healthcare providers throughout Santa Clara County in the summer of 2023 to begin a facilitated dialogue around workforce issues. The dialogue

will lay the groundwork for partnerships with the sector that lead to more effective engagement with hospitals, community clinics, and other healthcare employers, and open more doors for job seekers, especially those with little or no experience in healthcare occupations and who come from low-income backgrounds and underrepresented communities.

- San José Works Youth Entrepreneurship Program
San José Works will be scaling, for all subsidized and unsubsidized San José Works clients, its entrepreneurship workshops via the “San José Works Entrepreneurship 101” training program. This new earn-and-learn curriculum and training model will look to increase the number of youth participants. This opportunity will also be made available to undocumented youth participants. Working with subject matter experts and financial institutions, youth will not only be exposed to the basic understanding of entrepreneurship through several series of workshops but will also develop a business plan, provide youth with further detailed training, and just as importantly will provide them with a paid work experience with a small business for a hands-on approach.
- Community-Based Job Fairs
work2future will host eight in-person job fairs moving forward. The first in the new fiscal year will be a job fair focused on opportunities in manufacturing, planned for July 18, 2023, at the Mexican Heritage Plaza. Also already on the books is the annual seasonal job fair for young adults at the Eastridge Mall in September 2023.
- Community Economic Resilience Fund
work2future is part of the Bay Area Good Jobs Partnership for Equity, a consortium of all 10 local workforce development boards in the nine-county Bay Area. The consortium and All Home, a regional homeless advocacy organization, have been awarded, on behalf of the Bay Area High Road Transition Collaborative, a \$5 million grant from the state’s Community Economic Resilience Fund Phase 1 program. The collaborative, comprised of more than 50 organizations and growing, will undertake regional research and economic development planning with an emphasis on good jobs and the advancement of disinvested and historically underserved communities. The Bay Area-wide effort is organized into six sub-regions, including a Silicon Valley sub-region comprised of the counties of Santa Clara and San Mateo. The sub-regions will begin their work by late June 2023. The overall effort will span two years and will prepare the ground for several pilot implementation projects, as well as a path toward sustainability.
- HVAC and Computerized Numerical Control Training
work2future received \$625,000 through the Google Community Benefits Agreement to provide an Earn and Learn Program for 40 participants in HVAC and Computerized Numerical Control training. The first cohort of 10 began in May 2023, with the second cohort of 20 planned to start in June 2023, and the third and final cohort of 10 to start in August 2023.

- Childcare Support

A one-time \$600,000 grant funded through the Google Community Benefits Agreement as administered by work2future will enable individuals to participate in training, upskilling, apprenticeship, internship, and work experience programs supported by the agency and its partners. Childcare support would be provided to participants who are parents enabling them to improve their education and employment opportunities by participating in training programs. Services are anticipated to begin in the summer of 2023.

ANALYSIS

(a) Contracts and Agreements

Staff recommends that City Council authorize the City Manager or her designee to negotiate and execute all contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, and vendors providing services to the WIOA Program and programs operated by work2future, including, but not limited to: novations or assignments; training vendor contracts; case management contracts; and consultant contracts.

Such agreements must comply with procurement procedures and requirements mandated by the State and Federal governments for WIOA grant recipients and with established City procurement procedures and requirements. In addition, they must be reviewed and approved, as required, by the work2future Board of Directors, and may be executed so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.

Under WIOA, work2future must enter into memorandums of understanding with Required and Additional One-Stop Partners for a three-year period, with the agreement reviewed every three-year period to ensure appropriate funding and delivery of services. Other WIOA memorandums of understanding are on an ad-hoc basis. These memorandums include, but are not limited to:

- Memorandums of understanding with other workforce development boards
- Regional memorandums of understanding
- Partnership agreements
- Cost-sharing agreements
- Regional consultant agreements to share training and labor market research tools
- Memorandums of understanding with other cities and the unincorporated area of Santa Clara County whose residents receive services from work2future
- Required partners specified in WIOA Title I include programs authorized under the following:
 - Title II of the WIOA, Adult Education and Literacy
 - Title III of the WIOA, Wagner-Peyser Act, (State of California Employment Development Department)

- The Title IV of the WIOA, Vocational Rehabilitation Act (State of California Department of Rehabilitation)
- Senior Community Services Employment Program (Sourcewise)
- Migrant Seasonal Farmworkers Program (Center for Employment and Training)
- Community Services Block Grant (Center for Employment and Training)
- The Job Corps
- Career and Technical Education under the Perkins Act
- Veterans employment services under Chapter 41 of Title 38, U.S.C.
- Employment and training activities carried out by the Department of Housing and Urban Development.
- Trade Adjustment Assistance
- Unemployment Compensation Programs
- County of Santa Clara departments and programs, including, but not limited to, Department of Social Services CalWORKS and CalFresh Food programs
- Local child support agencies
- English language learners, foreign born, and refugees
- Re-entry services providers – Probation, Parole
- Community-based organizations
- Labor organizations

WIOA allows federal funds received by local areas during a program year to be expended during that program year and the succeeding program year. To meet the needs of clients and businesses that work2future serves, there must be sufficient flexibility to begin agreements in one fiscal year and end agreements in the following fiscal year to provide a continuum of services consistent with and in alignment with work2future's programs. The nature of some work2future services is such that programs offered to clients can be initiated during various periods within the fiscal year. The coordination of vendor training programs such as the Eligible Training Provider List, Youth Career Technical Training, Youth Workshops, Adult Workshops, and Adult Cohort Training, is dependent on when the client is determined eligible, and the type and length of the training program selected. No-fund agreements that provide work experience to youth program participants are dependent upon a school year and summer schedule. In addition, adult programs are subject to similar variables. Under these circumstances, the time to perform and complete services necessitate extending the agreement beyond the fiscal year.

The City Manager, or her designee, will ensure that sufficient funds have been appropriated and are available and that agreements are in accordance with federal and state laws and regulations.

(b) Grant Applications and Grant Agreements

work2future will endeavor to obtain additional discretionary funding through grant applications for the FY 2023-2024. Funding proposals may require partnerships with other public, private, and community-based organizations as a prerequisite for funding. In other instances, funding

may be awarded to work2future for activities that may be undertaken by community-based organizations, institutions of higher education, or vendors to be selected through a subsequent request for proposal processes. These grants can support City operations through the payment of overhead and in support of Citywide services that align with WIOA activities.

As discretionary grants may be for terms of up to four years, staff recommends that the City Council authorize the City Manager, or her designee, to negotiate and execute all grant applications, grant agreements, subgrant agreements, and any documents necessary to accept the grant for discretionary funding applied for and approved by the work2future Board of Directors, for multi-year periods not to extend beyond June 30, 2028, pending appropriation of grant funds by City Council.

(c) City Council Reporting

The work2future program is housed within the Office of Economic Development and Cultural Affairs. The Office of Economic Development and Cultural Affairs and work2future make an annual comprehensive presentation on formula and discretionary funding availability, contracting and program activities and performance, and client services to the Community and Economic Development Committee.

EVALUATION AND FOLLOW-UP

No additional follow-up actions with City Council are expected at this time. work2future will be providing a program update to the Community and Economic Development Committee, scheduled for April 2024.

COORDINATION

This report has been coordinated with the Office of the City Attorney and the City Manager's Budget Office.

PUBLIC OUTREACH

The WIOA activities represented in this report involve a wide variety of public outreach including working with various community-based organizations, private sector businesses, educational entities, and other governmental organizations. The work2future Board of Directors is comprised of 20 private and public sector members and has sought public input at all work2future board and committee meetings on each of the projects detailed above. All work2future board and committee meetings, as well as those of the supporting committees, are

HONORABLE MAYOR AND CITY COUNCIL

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covered by the Brown Act and are subject to public notice requirements and public comment sections on the agendas of their actual meetings.

This memorandum will be posted on the City's Council Agenda website for the June 13, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a project which may result in a potentially significant impact on the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

NANCI KLEIN

Director of Economic Development and
Cultural Affairs

For questions, please contact Monique Melchor, work2future Director, at (408) 794-1108.

ATTACHMENT - work2future WIOA Performance Summary for WIOA clients: Program Year 2020-2023

Attachment

work2future WIOA Performance Summary for WIOA clients: Program Year 2020-2023

Federal Performance Results

WIOA PROGRAM YEAR	2020-2021			2021-2022		
Performance	Actual	Required	Success Rate	Actual	Required	Success Rate
ADULT						
Entered Employment 2 nd Quarter	68.7%	62.0%	110.9%	58.9%	62.0%	96.0%
Entered Employment 4 th Quarter	64.1%	61.0%	105.1%	60.6%	61.0%	99.3%
Median Earnings	\$9,239	\$6,250	147.8%	\$10,583	\$6,250	169.3%
Credential Attainment Rate	65.8%	55.0%	119.6%	63.9%	55.0%	116.2%
DISLOCATED WORKER						
Entered Employment 2 nd Quarter	70.3%	65.0%	108.1%	67.3%	65.0%	103.5%
Entered Employment 4 th Quarter	65.2%	67.0%	97.3%	68.2%	67.0%	101.8%
Median Earnings	\$12,318	\$7,800	157.9%	\$12,250	\$7,800	157.1%
Credential Attainment Rate	65.3%	65.3%	112.6%	76.7%	58.0%	132.2%
YOUTH						
Entered Employment or Ed 2 nd Q	71.6%	71.0%	100.8%	73.3%	71.0%	103.2%
Entered Employment or Ed 4 th Q	67.1%	67.5%	100.0%	66.4%	67.5%	98.4%
Median Earnings	\$6,476	\$3,390	191.0%	\$5,755	\$3,390	169.8%
Credential Attainment Rate	88.2%	57.5%	153.5%	52.0%	57.5%	90.4%
For each program year provided State Performance is met at 90%						
				2022-2023 3rd Quarter		
WIOA PROGRAM YEAR 2022 -2023 3RD QUARTER				Actual	Required	Success Rate
Adult						
Entered Employment Rate 2 nd Quarter				73.1%	65.0%	112.5%
Entered Employment Rate 4 th Quarter				72.6%	62.0%	117.1%
Median Earnings				\$11,966	\$11,521	96.0%
Attainment of Credential				72.0%	65.5%	109.9%
Measurable Skill Gain				57.1%	55.0%	103.8%
Dislocated Workers						
Entered Employment Rate 2 nd Quarter				78.0%	68.0%	114.7%
Entered Employment Rate 4 th Quarter				70.0%	67.0%	104.5%
Median Earnings				\$9,867	\$8,500	116.1%
Attainment of Credential				100.0%	68.0%	147.1%
Measurable Skill Gain				54.5%	55.0%	99.1%
Youth						
Entered Employment Rate 2 nd Quarter				100.0%	71.0%	140.8%
Entered Employment Rate 4 th Quarter				69.2%	67.5%	102.5%
Median Earnings				\$4,406	\$3,390	130.0%
Attainment of Credential*				100.0%	57.6%	173.6%
Measurable Skill Gain*				58.0%	57.8%	100.3%
Overall Performance - State Target 90% Met/Exceeded: 15/15 Projection:15/15						

* work2future CALJOBS system has not yet reported numbers for the 4th Quarter. Staff anticipates meeting/exceeding 100% success rate for all performance at end of the 4th quarter.